

## Message Text

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15

ACTION EB-07

INFO OCT-01 EA-07 IO-13 ISO-00 CIAE-00 DODE-00 NSAE-00

NSCE-00 SSO-00 USIE-00 INRE-00 FEA-01 AGR-05 CEA-01

COME-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSC-05

PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01 TRSE-00

PRS-01 SP-02 OMB-01 OIC-02 /097 W  
----- 094543

O R 300819Z APR 76

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC IMMEDIATE 6881

USMISSION GENEVA IMMEDIATE

INFO USDEL MTN GENEVA

LIMITED OFFICIAL USE SEOUL 3227

E.O. 11652: N/A

TAGS: GATT, ETRD, KS

SUBJECT: INSTRUCTIONS FOR MAY 3 GATT BALANCE OF PAYMENTS  
CONSULTATION WITH KOREA

REF: (A) STATE 103935, (B) SEOUL 2952

1. THE EMBASSY IS VERY PLEASED WITH THE EXCELLENT INSTRUCTIONS FROM WASHINGTON AGENCIES FORWARDED IN REF A TO THE U.S. MISSION GENEVA FOR THE MAY 3 GATT BALANCE OF PAYMENTS CONSULTATION WITH KOREA. WE WOULD JUST LIKE TO OFFER A FEW MINOR CLARIFICATIONS:

(A) CONCERNING THE REFERENCE IN THE BACKGROUND PORTION OF SECTION FOUR TO IMPORTS UNDER THE CATEGORY OF JAPANESE REPARATIONS, THE SO-CALLED PROPERTY AND CLAIMS (PAC) ARRANGEMENT WITH JAPAN WAS COMPLETED IN DECEMBER 1975.

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(B) WITH REGARD TO THE BACKGROUND DISCUSSION IN

SECTION SEVEN, THERE WAS NO MINIMUM RETENTION PERIOD AS SUCH FOR PRIOR IMPORT DEPOSITS BEFORE THE INTRODUCTION OF THE 90-DAY MINIMUM RETENTION REQUIREMENT IN EARLY 1975. PREVIOUS TO THAT CHANGE, IMPORT DEPOSITS WERE RETURNED AT THE TIME OF SETTLEMENT FOR THE IMPORT, WHICH WOULD VARY FROM IMPORT TO IMPORT, BUT WOULD NORMALLY BE LESS THAN 90 DAYS. IN SOME INSTANCES, THE DEPOSIT REQUIREMENT WAS LARGELY NEUTRALIZED BY SHIPPING ON A STALE BILL OF LADING WITH THE IMPORT LICENSE OBTAINED AND IMPORT L/C OPENED JUST PRIOR TO THE ARRIVAL OF THE COMMODITY IN KOREA, MEANING THE IMPORT DEPOSIT WOULD BE POSTED ONLY A FEW DAYS OR SO BEFORE SETTLEMENT. IN OTHER WORDS, THE RETENTION PERIOD WAS NOT INCREASED FROM 60 TO 90 DAYS, BUT RATHER A 90-DAY MINIMUM RETENTION PERIOD WAS IMPOSED IN LIEU OF RETURNING THE DEPOSIT AT THE TIME OF SETTLEMENT.  
SNEIDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BALANCE OF PAYMENTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 APR 1976  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** saccheem  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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